



**Asia-Pacific  
Economic Cooperation**

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**2021/SOM2/CTI/IS03**  
Agenda Item: IX.a

**Joint Proposal on the Role of Government  
Procurement in Responding to COVID-19  
(Endorsed Intersessionally on 19 March 2021)**

Purpose: Information  
Submitted by: Canada, Chile



**Second Committee on Trade and  
Investment Meeting  
25-27 May 2021**

## **The role of government procurement in responding to COVID-19**

**Proposed by Canada & Chile**  
**Co-Sponsors: China & Hong Kong, China**

### **1. Background**

Government procurement can be understood as the procurement of goods, services and works on behalf of a public authority, such as a government agency. Government spending has become one of the most important elements in an economic system since a significant amount of public expenditure is channeled through government procurement. Governments are large consumers that, according to the World Bank, spend an estimated US\$9.5 trillion in government procurement contracts every year, which in many developing economies represents approximately 15-22 percent of their GDP<sup>1</sup>. Under the APEC Putrajaya Vision 2040, APEC economies agreed to “foster quality growth that brings palpable benefits and greater health and wellbeing to all, including MSMEs” and also to maintain APEC as “an efficient and effective incubator of ideas”.

Government procurement is an important mechanism that economies can use to boost changes in public service delivery, create jobs, and stimulate private sector growth. A well-performing government procurement system can increase our citizens’ confidence in government and can boost private sector competitiveness, including micro, small- and medium-sized businesses.

The relevance of government procurement as a public policy tool has been highlighted during the COVID-19 outbreak. Across economies, there has been a need for urgent government expenditure to acquire essential goods and services to respond to COVID-19 and any future pandemics.

At the same time, government procurement procedures have been challenged by this unprecedented global public-health emergency. These challenges included disruptions to global supply chains, sudden drops in demand for certain goods, abrupt spikes in demand for others, and an increased reliance on digital procurement processes due to lockdown-type measures and physical distancing rules adopted by some economies.

### **2. Objectives**

This proposal aims to exchange information and review practices in economies’ responses during the COVID-19 pandemic with respect to government procurement. A special focus will be set on reviewing tools which may have been used to support MSMEs’ participation in the government procurement market

The results of this exercise could support the work of member economies during the post-pandemic economic recovery. For this purpose, we propose the following activities:

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<sup>1</sup> For further information, visit the World Bank Procurement for Development at <https://www.worldbank.org/en/topic/procurement-for-development>

- Distribute and conduct a questionnaire to gather information on government procurement practices during the COVID-19 pandemic. The questionnaire will include questions regarding government procurement challenges which may have arisen due to the pandemic, and procurement strategies and institutional arrangements which were adopted in response to these challenges. It will also include a special focus on strategies and policies which may have been adopted to support MSME participation in the procurement market in response to the pandemic.
- Convene a CTI workshop to report on the results of the previous activity. Discuss the findings and propose a list of the challenges and practices which were adopted as a result of the COVID-19 pandemic.
- Prepare a report of the key take-aways from the workshop and circulate to the CTI for endorsement.

### 3. Timeline

Date	Deliverable
February - March 2021	Submit Canada-Chile joint proposal to CTI for endorsement
March-April 2021	Circulate the survey/questionnaire to APEC economies
May-June 2021	Collect and process the responses to the survey/questionnaire. Prepare a summary of the findings and submit it to CTI for information
July-August 2021	Organize the workshop
July or August 2021	Convene the workshop at the margins of CTI3
September - October 2021	Prepare and circulate to CTI the Final Report of the project with a list of practices